Elbit Systems strengthens its presence in the UK:

Elbit Systems Acquires the UK Company Ferranti Technologies for £15 Million (US$31 Million)

Joseph Ackerman: the acquisition is in line with our strategy to provide better support to our customers in UK and Europe

Haifa, Israel, July 26 2007 – Elbit Systems Ltd. (NASDAQ: ESLT) reported today that it has acquired the entire share capital of the UK company Ferranti Technologies (Group) Limited ("FTL") for £15 million (approximately US$31 Million).

FTL is an established supplier of engineering, manufacturing and product support solutions to the Aerospace and Defence markets. FTL designs and manufactures electronic, power and control solutions with emphasis on reliable operation in harsh climatic and electromagnetic environments. FTL's comprehensive customer logistic support services cover: repair, overhaul, modification, integrated logistic support, and post design services.

The acquisition of FTL will enable Elbit Systems to provide enhanced access and support to its customers in the UK and Europe. Together with U-TacS, a UAV Systems company and UEL, the UAV engines' company, the acquisition will strengthen the Group's presence in this important market.

Joseph Ackerman, President of Elbit Systems Ltd., said: "The acquisition of Ferranti Technologies Limited is in line with our strategy of growth through mergers and acquisitions. We have identified in Ferranti a highly capable management team. I believe that FTL and its management will significantly enhance our business base in the UK and enable us to provide better support to our customers, while gaining better market access in the UK and Europe"

Terry Scuoler, Managing Director of FTL said: "Elbit Systems has outstanding technology and a high reputation in the market place and we are excited that the transaction will allow us to further expend our business across the UK and Europe. We are very much looking forward to build on our respective successes to date and continue to serve our customers need.

FTL was sold by The Fifth Causeway Development Fund (advised by ABN AMRO Capital Ltd.) and by FTL's management.

About Ferranti Technologies

FTL, located in Oldham, UK was established in 1994 formerly part of Ferranti International Group. FTL has since the current management team took over in 1999 has gained an enviable reputation for innovation, quality and commitment to its blue chip customer base. The company owns the former Ferranti name. The Company specialises in the manufacture and design of wide range of electronic power management and control systems for application on air, land and seaborne platforms, including safety critical applications. In 2006 the Company reported annual sales of over £16 million, approximately US$ 33M). Ferranti Technologies Limited workforce consists of 180 employees and is expected to continue its business growth in its Oldham facility in North West England providing further employment opportunities in the local area.

About Elbit systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), advanced electro-optics and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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